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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

AUG 17 2011

GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF
RANCHO DEL CONEJO COMMUNITY WATER
CO-OP, INC. FOR APPROVAL OF RATE
APPLICATION FOR WATER COMPANIES WITH
ANNUAL GROSS OPERATING REVENUES OF
LESS THAN \$250,000 PER ARIZONA
ADMINISTRATIVE CODE R14-2-103.

DOCKET NO. W-02102B-07-0273

IN THE MATTER OF THE APPLICATION OF
RANCHO DEL CONEJO COMMUNITY WATER
CO-OP, INC. FOR APPROVAL OF DEBT DUE
TO RANCHO CONEJO COMMUNITY WATER
CO-OP INC.'S NEED TO BORROW FUNDS TO
INSTALL ARSENIC REMOVAL EQUIPMENT.

DOCKET NO. W-02102B-07-0163

DECISION NO. 72534

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 70311

Open Meeting
August 11, 2011
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the
Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. In Decision No. 70311 (April 24, 2008), the Commission approved the rate and
financing applications of Rancho Del Conejo Community Water Co-op, Inc. ("Rancho" or
"Company"). As part of Decision No. 70311, the Commission ordered the Company to file a new
rate case by June 1, 2011, using a test year ending December 31, 2010.

2. On May 23, 2011, Rancho docketed a request for an extension of time to comply with
Decision No. 70311. Rancho stated that it is in the process of collecting signatures to become a

Domestic Water Improvement District (“DWID” or “District”). The Company believes that there are advantages of becoming a District including the ability to receive grant money to improve its ailing system.

3. The Company hoped to have signatures gathered by June 30, 2011, and to file with the Pima County Assessors Office as soon as possible after that. The Company requested an extension to file a new rate case, if necessary, until after the November 2011 elections.

4. On June 30, 2011, the Commission's Utility Division ("Staff") filed a Staff Report recommending an extension of time to file a new rate until June 30, 2012, using a December 31, 2011, test year.

5. In the event Rancho becomes a DWID, the Company would no longer be a regulated public service corporation. In such case, Staff states that the Order to file a rate case would become void.

6. The Company states that if a rate case is ultimately necessary, it would need at least six months to prepare the rate application.

7. Staff does not object to the request for an extension of time to file the rate case, and believes that the Company should have the opportunity to determine whether a District will be formed prior to preparing a rate case. Staff recommends that the extension be granted until June 30, 2012, and that the Company be ordered to utilize a December 31, 2011 test year.

8. It is reasonable and appropriate to grant the extension request in order for the Company to determine if it will become a DWID. There is no indication that the public interest will be hurt if the Company is granted an extension to file a new rate case as recommended by Staff. The extra time would be needed to prepare a complete application in the event a District is not formed. Consequently, we find that Staff's recommendation is reasonable and should be granted.

CONCLUSIONS OF LAW

1. Rancho is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

2. The Commission has jurisdiction over Rancho and the subject matter of the request.

1 3. If Rancho becomes a DWID, it will no longer be subject to Commission regulation as
2 a public service corporation.

3 4. An extension of time to comply with the requirements of Decision No. 70311, as
4 discussed herein, is fair and reasonable and in the public interest.

5 **ORDER**

6 IT IS THEREFORE ORDERED that that the deadline for Rancho Del Conejo Community
7 Water Co-op, Inc. to file a rate case, as required by Decision No. 70311 is extended until June 30,
8 2012.

9 IT IS FURTHER ORDERED that in the event that Rancho Del Conejo Community Water
10 Co-op, Inc. does not receive approval to become a Domestic Water Improvement District, such that a
11 rate case filing is required, Decision No. 70311 is also modified to require that Rancho Del Conejo
12 Community Water Co-op, Inc. shall utilize a test year of December 31, 2011.

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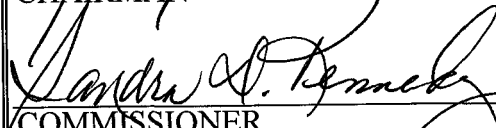
1 IT IS FURTHER ORDERED that in the event Rancho Del Conejo Community Water Co-op,
2 Inc. receives authority to form a Domestic Water Improvement District, it shall file an application to
3 cancel its Certificate of Convenience and Necessity prior to June 30, 2012.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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7 
8 CHAIRMAN


COMMISSIONER

9 
10 COMMISSIONER


COMMISSIONER


COMMISSIONER

11 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
12 Executive Director of the Arizona Corporation Commission,
13 have hereunto set my hand and caused the official seal of the
14 Commission to be affixed at the Capitol, in the City of Phoenix,
15 this 17th day of August, 2011.

16 
17 ERNEST G. JOHNSON
18 EXECUTIVE DIRECTOR

19 DISSENT _____

20 DISSENT _____

1 SERVICE LIST FOR: RANCHO DEL CONEJO COMMUNITY
2 WATER CO-OP, INC.
3 DOCKET NO.: W-02102B-07-0273 and W-02102B-07-0163
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